

House Bill 825

By: Representatives Martin of the 47th, Jones of the 46th, Graves of the 12th, and Burkhalter of the 50th

A BILL TO BE ENTITLED

AN ACT

To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, computation, and exemptions regarding income taxes, so as to revise and change individual income tax standard deductions; to provide for annual adjustments with respect to such standard deductions; to provide for powers, duties, and authority of the state revenue commissioner; to provide for an effective date and applicability; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, computation, and exemptions regarding income taxes, is amended in Code Section 48-7-27, relating to computation of taxable net income, by revising paragraph (1) of subsection (a) as follows:

"(1) Either the sum of all itemized nonbusiness deductions used in computing federal taxable income if the taxpayer used itemized nonbusiness deductions in computing federal taxable income or, if the taxpayer could not or did not itemize nonbusiness deductions, then a standard deduction as provided for in the following subparagraphs:

(A) In the case of a single taxpayer or a ~~head of household~~ married taxpayer filing a separate return, ~~\$2,300.00~~ \$5,450.00;

(B) In the case of a ~~married taxpayer filing a separate return~~ head of household, ~~\$1,500.00~~ \$8,000.00;

(C) In the case of a married couple filing a joint return, ~~\$3,000.00~~ \$10,900.00;

(D) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer has attained the age of 65 before the close of the taxpayer's taxable year. An additional deduction of \$1,300.00 for the spouse of the taxpayer shall be allowed if a joint return is made by

the taxpayer and the taxpayer's spouse and the spouse has attained the age of 65 before the close of the taxable year; and

(E) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer is blind at the close of the taxable year. An additional deduction of \$1,300.00 for the spouse of the taxpayer shall be allowed if a joint return is made by the taxpayer and the taxpayer's spouse and the spouse is blind at the close of the taxable year. For the purposes of this subparagraph, the determination of whether the taxpayer or the spouse is blind shall be made at the close of the taxable year except that, if either the taxpayer or the spouse dies during the taxable year, the determination shall be made as of the time of the death.

The standard deduction amounts enumerated in subparagraphs (A) through (E) of this paragraph shall be annually adjusted by the commissioner to reflect the effect of economic inflation or deflation on individual taxpayers. The commissioner shall establish and maintain rules governing standard deduction adjustments. Such rules shall include the determination and use of an appropriate cost-of-living index which reflects the effects of inflation and deflation on persons receiving benefits in the State of Georgia. The rules may use for this purpose the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States Department of Labor or any other similar index established by the federal government, if the commissioner determines that such federal index reflects the effects of inflation and deflation on persons receiving benefits in the State of Georgia;"

SECTION 3.

This Act shall become effective on January 1, 2011, and shall be applicable to all taxable years beginning on or after January 1, 2011.

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.